

## **2013 DRAFTING REQUEST**

### **Bill**

Received: <b>6/25/2013</b>	Received By: <b>emueller</b>
Wanted: <b>As time permits</b>	Same as LRB:
For: <b>Jim Steineke (608) 266-2418</b>	By/Representing: <b>Jon Turke</b>
May Contact:	Drafter: <b>emueller</b>
Subject: <b>Local Gov't - tax incr financing</b>	Addl. Drafters:
	Extra Copies: <b>MES</b>

Submit via email: **YES**  
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**  
 Carbon copy (CC) to:

### **Pre Topic:**

No specific pre topic given

### **Topic:**

Tax increment sharing between standard tax incremental districts (TIDs) and environmental remediation tax incremental districts (ERTIDs)

### **Instructions:**

See attached

### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 8/6/2013			_____			
/P1	emueller 9/10/2013	wjackson 8/16/2013	jmurphy 8/16/2013	_____	sbasford 8/16/2013		State S&L
/P2	emueller 9/16/2013	wjackson 9/10/2013	rschluet 9/10/2013	_____	lparisi 9/10/2013		State S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1		jdyer 9/17/2013	rschluet 9/17/2013	_____	mbarman 9/17/2013	mbarman 9/17/2013	State S&L

FE Sent For:

at  
Intro

<END>

## **2013 DRAFTING REQUEST**

### **Bill**

Received: <b>6/25/2013</b>	Received By: <b>emueller</b>
Wanted: <b>As time permits</b>	Same as LRB:
For: <b>Jim Steineke (608) 266-2418</b>	By/Representing: <b>Jon Turke</b>
May Contact:	Drafter: <b>emueller</b>
Subject: <b>Local Gov't - tax incr financing</b>	Addl. Drafters:
	Extra Copies: <b>MES</b>

Submit via email: **YES**  
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**  
 Carbon copy (CC) to:

---

#### **Pre Topic:**

No specific pre topic given

---

#### **Topic:**

Tax increment sharing between standard tax incremental districts (TIDs) and environmental remediation tax incremental districts (ERTIDs)

---

#### **Instructions:**

See attached

---

#### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 8/6/2013			_____			
/P1	emueller 9/10/2013	wjackson 8/16/2013	jmurphy 8/16/2013	_____	sbasford 8/16/2013		State S&L
/P2	emueller 9/16/2013	wjackson 9/10/2013	rschluet 9/10/2013	_____	lparisi 9/10/2013		State S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1		jdye 9/17/2013	rschluet 9/17/2013	_____	mbarman 9/17/2013		State S&L

FE Sent For:

&lt;END&gt;

## 2013 DRAFTING REQUEST

### Bill

Received: **6/25/2013** Received By: **emueller**  
Wanted: **As time permits** Same as LRB:  
For: **Jim Steineke (608) 266-2418** By/Representing: **Jon Turke**  
May Contact: Drafter: **emueller**  
Subject: **Local Gov't - tax incr financing** Addl. Drafters:  
Extra Copies: **MES**

Submit via email: **YES**  
Requester's email: **Rep.Steineke@legis.wisconsin.gov**  
Carbon copy (CC) to:

### Pre Topic:

No specific pre topic given

### Topic:

Tax increment sharing between standard tax incremental districts (TIDs) and environmental remediation tax incremental districts (ERTIDs)

### Instructions:

See attached

### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 8/6/2013	1/9/17 jld					
/P1	emueller 9/10/2013	wjackson 8/16/2013	jmurphy 8/16/2013		sbasford 8/16/2013		State S&L
/P2		wjackson 9/10/2013	rschluet 9/10/2013		lparisi 9/10/2013		State S&L

1/1 cum  
9/16/13

9/17/13

Jacket for  
Assembly  
please  
C

FE Sent For:

**<END>**

**2013 DRAFTING REQUEST**

**Bill**

Received:	<b>6/25/2013</b>	Received By:	<b>emueller</b>
Wanted:	<b>As time permits</b>	Same as LRB:	
For:	<b>Jim Steineke (608) 266-2418</b>	By/Representing:	<b>Jon Turke</b>
May Contact:		Drafter:	<b>emueller</b>
Subject:	<b>Local Gov't - tax incr financing</b>	Addl. Drafters:	
		Extra Copies:	<b>MES</b>

Submit via email: **YES**  
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**  
 Carbon copy (CC) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Tax increment sharing between standard tax incremental districts (TIDs) and environmental remediation tax incremental districts (ERTIDs)

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 8/6/2013						
/P1	emueller	wjackson 8/16/2013	jmurphy 8/16/2013		sbasford 8/16/2013		State S&L

FE Sent For:

/p2 Wly 9/10  
 9/10/13  
 56  
 <END>

## Mueller, Eric

---

**From:** Turke, Jon  
**Sent:** Wednesday, August 21, 2013 11:19 AM  
**To:** Mueller, Eric  
**Subject:** FW: TID Legislation

Hi Eric-

Could you please see the suggested changes from the City of Kaukauna and incorporate them into the draft?

Thanks!

## Jon Turke

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

---

**From:** Rep.Steineke  
**Sent:** Wednesday, August 21, 2013 11:17 AM  
**To:** Turke, Jon  
**Subject:** FW: TID Legislation

Can you forward this to the drafter and ask them to make the changes?

---

**From:** City Planning [<mailto:planning@kaukauna-wi.org>]  
**Sent:** Wednesday, August 21, 2013 10:31 AM  
**To:** Rep.Steineke  
**Cc:** Steve Giebel; [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)  
**Subject:** TID Legislation

Dear Representative Steineke -

My apologies for the delay in getting back to you. I have reviewed the Legislative Reference Bureaus drafters notes on the amendment to the ErTID law. The language as drafted allows an ErTID to donate excess increment to a standard TID. However, due the nature of an ErTID, it is vitally important that an ErTID also be allowed to become a recipient TID. Accordingly, we request the drafters notes be amended to include language permitting an ErTID to be a recipient of excess increment from a standard TID. We also request that the a language be effective for any plan adopted after January 1, 2010.

Thank you for your time and attention to this very critical matter. If you have any questions, please feel free to contact me via email at [planning@kaukauna-wi.org](mailto:planning@kaukauna-wi.org) and I should be able to get back to you relatively quickly.

Bob Jakel



**Robert L. Jakel, AICP**  
Director of Planning and Community Development



City of Kaukauna  
920.766.6315  
[planning@kaukauna-wi.org](mailto:planning@kaukauna-wi.org)  
[www.cityofkaukauna.com](http://www.cityofkaukauna.com)

# **2013 DRAFTING REQUEST**

## **Bill**

Received:	<b>6/25/2013</b>	Received By:	<b>emueller</b>
Wanted:	<b>As time permits</b>	Same as LRB:	
For:	<b>Jim Steineke (608) 266-2418</b>	By/Representing:	<b>Jon Turke</b>
May Contact:		Drafter:	<b>emueller</b>
Subject:	<b>Local Gov't - tax incr financing</b>	Addl. Drafters:	
		Extra Copies:	<b>MES</b>

Submit via email: **YES**  
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**  
 Carbon copy (CC) to:

## **Pre Topic:**

No specific pre topic given

## **Topic:**

Allow environmental remediation tax incremental district (ERTID) to share tax increments

## **Instructions:**

See attached

## **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 8/6/2013			_____			
/P1		wjackson 8/16/2013	jmurphy 8/16/2013	_____	sbasford 8/16/2013		State S&L

FE Sent For:

<END>

# 2013 DRAFTING REQUEST

## Bill

Received: 6/25/2013 Received By: emueller  
 Wanted: As time permits Same as LRB:  
 For: Jim Steineke (608) 266-2418 By/Representing: Jon Turke  
 May Contact: Drafter: emueller  
 Subject: Local Gov't - tax incr financing Addl. Drafters:  
 Extra Copies: MES

Submit via email: YES  
 Requester's email: Rep.Steineke@legis.wisconsin.gov  
 Carbon copy (CC) to:

## Pre Topic:

No specific pre topic given

## Topic:

Allow environmental remediation tax incremental district (ERTID) to share tax increments

## Instructions:

See attached

## Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	emueller	pi wij 8/14	Jim 8/14	Jim + KM 8/16			
1/1	EJM 8/6/13						

FE Sent For:

<END>

**Mueller, Eric**

---

**From:** Turke, Jon  
**Sent:** Tuesday, June 25, 2013 11:03 AM  
**To:** Mueller, Eric  
**Subject:** TID Legislation

Hi Eric-

My boss is looking to do some legislation on TID. Here's his email below and if you have any further questions let me know!

"I'd also like to draft a bill for them that will help them (Kaukauna) with a tif issue. Under current law, one tif can be a "donor" to another tif in the same muni. However, the donor tif cannot be an environmental tif for some reason. Long term this could result in munis being unwilling to take on these environmental issues."

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418



*Note*  
State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2581/P1  
EVM: /:....

Wlj

*Two /cmh/ Friday  
Thurs  
please*

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

*RMR*

*8/6/13*

*Soon*

*gen*

- 1 AN ACT ...; relating to: authorizing the sharing of tax increments by certain  
2 environmental remediation tax incremental districts.

---

***Analysis by the Legislative Reference Bureau***

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed-use development. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR

authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

Under current law, the environmental remediation tax incremental financing program permits a city, village, town, or county (political subdivision) to recoup the costs of remediating contaminated property from property taxes that are levied on the remediated property. The mechanism for financing remediation costs is very similar to the mechanism for financing project costs under the tax incremental financing program.

Initially, the governing body of a political subdivision adopts a resolution creating an environmental remediation tax incremental district (ERTID) with particular boundaries. This resolution is then reviewed by a joint review board made up of representatives of the overlying taxing jurisdictions. If the joint review board approves the ERTID, a political subdivision that has incurred eligible costs to remediate environmental pollution on a parcel of property may apply to DOR to certify the environmental remediation tax incremental base of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the Department of Natural Resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the remediation, and certification from DNR that it has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an environmental remediation tax increment; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated. Thereafter, the political subdivision that created the ERTID may use positive environmental remediation tax increments to pay eligible costs of remediating environmental pollution in the ERTID.

Currently, the maximum life of an ERTID is 23 years and no expenditure for an eligible cost may be made by a political subdivision later than 15 years after the environmental remediation tax incremental base is certified by DOR. An ERTID may also terminate when a political subdivision has received sufficient environmental remediation tax increments to cover all of the eligible costs.

Under current law, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that has ~~incurred~~ eligible costs to another ERTID created by the same governing body. Upon receipt of a copy of this resolution, DOR would continue

will recover

to allocate environmental remediation tax increments from the donor ERTID after all of the eligible costs for that ERTID have been recovered. These increments would be applied to another ERTID created in the same political subdivision. Increments from the donor ERTID continue to be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all eligible costs for the recipient ERTID.

Under this bill, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that has recovered all eligible costs to certain TIDs that are not ERTIDs. Generally, an ERTID may become a donor ERTID to a TID in the same situations ~~where~~ a TID may become a donor TID. Increments from the donor ERTID may be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all project costs for the recipient TID.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 66.1106 (1) (i) of the statutes is amended to read:

2           66.1106 (1) (i) "Period of certification" means a period of not more than 23 years  
3           beginning after the department certifies the environmental remediation tax  
4           incremental base under sub. (4), a period before all eligible costs have been paid, or  
5           a period before all eligible costs or project costs of a recipient district designated  
6           under sub. (2) (c) have been paid, whichever occurs first.

**History:** 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

7           **SECTION 2.** 66.1106 (2) (c) of the statutes is amended to read:

8           66.1106 (2) (c) Notwithstanding par. (a) or (b), or sub. (7) (d) 1. or (11) (a), if the  
9           governing body of a political subdivision determines that all eligible costs of an  
10          environmental remediation tax incremental district that it created will be paid  
11          before the date specified in sub. (11) (b), the governing body of that political  
12          subdivision may adopt a resolution requesting that the department allocate positive  
13          environmental remediation tax increments generated by that donor environmental  
14          remediation tax incremental district to pay the eligible costs of another

1 environmental remediation tax incremental district created by that governing body  
2 or to pay project costs <sup>✓</sup> of a tax incremental district created under s. 66.1105 and <sup>✓</sup>  
3 located in the same overlying taxing jurisdictions and that satisfies the requirements <sup>which one of</sup> (STET)  
4 under s. 66.1105 (6) (f) 2. A resolution under this paragraph must be adopted before  
5 the expiration of the period of certification.

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

6 **SECTION 3.** 66.1106 (7) (e) (intro.) of the statutes is amended to read:

7 66.1106 (7) (e) (intro.) Notwithstanding par. (d), if the governing body of a  
8 political subdivision adopts a resolution described in sub. (2) (c), it shall provide a  
9 copy of the resolution to the department. The department shall authorize a positive  
10 environmental remediation tax increment generated by a donor district, as described  
11 in sub. (2) (c), to the political subdivision that incurred eligible costs to remediate  
12 environmental pollution in another district within that political subdivision or that  
13 incurred project costs, as defined in s. 66.1105 (2) (f), for a tax incremental district  
14 within that political subdivision that was created under s. 66.1105 and that satisfies <sup>which</sup> (STET)  
15 the requirements under s. 66.1105 (6) (f) 2., as described in sub. (2) (c), until the <sup>one of</sup>  
16 earlier of the following occurs:

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

17 **SECTION 4.** 66.1106 (7) (e) 1. of the statutes is amended to read:

18 66.1106 (7) (e) 1. The political subdivision has received aggregate  
19 environmental remediation tax increments with respect to the recipient district in  
20 an amount equal to the aggregate of all of the eligible costs or project costs for that  
21 district.

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

22 **SECTION 5.** 66.1106 (7) (e) 2. of the statutes is amended to read:



1 66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or 66.1105  
2 (7). ✓

3 **History:** 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

(END)

DNote

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2581/P1dn

EVM: /:....

wj

Date

ATTN: Rep. Jim Steineke

Please review the attached draft carefully to ensure that it is consistent with your intent. This draft would allow an ERTID to share increments with a TID that is not an ERTID, basically under the same conditions as current TID increment sharing under s. 66.1105 (6) (f). Does this meet your intent?

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "1" draft.

Eric V. Mueller  
Legislative Attorney  
Phone: (608) 261-7032  
E-mail: eric.mueller@legis.wisconsin.gov

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-2581/P1dn  
EVM:wlj:jm

August 16, 2013

ATTN: Rep. Jim Steineke

Please review the attached draft carefully to ensure that it is consistent with your intent. This draft would allow an ERTID to share increments with a TID that is not an ERTID, basically under the same conditions as current TID increment sharing under s. 66.1105 (6) (f). Does this meet your intent?

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Eric V. Mueller  
Legislative Attorney  
Phone: (608) 261-7032  
E-mail: [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)



Note  
State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2581/P1  
EVM:wlijjm

1P2

stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

RMR

INSECTS

9/10/13

Today

regen

1 AN ACT to amend 66.1106 (1) (i), 66.1106 (2) (c), 66.1106 (7) (e) (intro.), 66.1106  
2 (7) (e) 1. and 66.1106 (7) (e) 2. of the statutes; relating to: authorizing the  
3 sharing of tax increments by certain environmental remediation tax  
4 incremental districts.

STET

***Analysis by the Legislative Reference Bureau***

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed-use development. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project

costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

Under current law, the environmental remediation tax incremental financing program permits a city, village, town, or county (political subdivision) to recoup the costs of remediating contaminated property from property taxes that are levied on the remediated property. The mechanism for financing remediation costs is very similar to the mechanism for financing project costs under the tax incremental financing program.

Initially, the governing body of a political subdivision adopts a resolution creating an environmental remediation tax incremental district (ERTID) with particular boundaries. This resolution is then reviewed by a joint review board made up of representatives of the overlying taxing jurisdictions. If the joint review board approves the ERTID, a political subdivision that has incurred eligible costs to remediate environmental pollution on a parcel of property may apply to DOR to certify the environmental remediation tax incremental base of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the Department of Natural Resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the remediation, and certification from DNR that it has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an environmental remediation tax increment; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated. Thereafter, the political subdivision that created the ERTID may use positive environmental remediation tax increments to pay eligible costs of remediating environmental pollution in the ERTID.

Currently, the maximum life of an ERTID is 23 years and no expenditure for an eligible cost may be made by a political subdivision later than 15 years after the environmental remediation tax incremental base is certified by DOR. An ERTID may also terminate when a political subdivision has received sufficient environmental remediation tax increments to cover all of the eligible costs.

Under current law, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that will recover all eligible costs to another ERTID created by the same governing body. Upon receipt of a copy of this resolution, DOR would continue to allocate environmental remediation tax increments from the donor ERTID after all of the eligible costs for that ERTID have been recovered. These increments would be applied to another ERTID created in the same political subdivision. Increments from the donor ERTID continue to be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all eligible costs for the recipient ERTID.

NS - Analysis  
Under this bill, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that has recovered all eligible costs to certain TIDs that are not ERTIDs. Generally, an ERTID may become a donor ERTID to a TID in the same situations when a TID may become a donor TID. Increments from the donor ERTID may be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all project costs for the recipient TID.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. 66.1106 (1) (i) of the statutes is amended to read:

2           66.1106 (1) (i) "Period of certification" means a period of not more than 23 years  
3 beginning after the department certifies the environmental remediation tax  
4 incremental base under sub. (4), a period before all eligible costs have been paid, or  
5 a period before all eligible costs or project costs of a recipient district designated  
6 under sub. (2) (c) have been paid, whichever occurs first.

7           SECTION 2. 66.1106 (2) (c) of the statutes is amended to read:

8           66.1106 (2) (c) Notwithstanding par. (a) or (b), or sub. (7) (d) 1. or (11) (a), if the  
9 governing body of a political subdivision determines that all eligible costs of an  
10 environmental remediation tax incremental district that it created will be paid  
11 before the date specified in sub. (11) (b), the governing body of that political  
12 subdivision may adopt a resolution requesting that the department allocate positive

1 environmental remediation tax increments generated by that donor environmental  
2 remediation tax incremental district to pay the eligible costs of another  
3 environmental remediation tax incremental district created by that governing body  
4 or to pay project costs, as defined in s. 66.1105 (2) (f), of a tax incremental district  
5 created under s. 66.1105 and located in the same overlying taxing jurisdictions and  
6 that satisfies one of the requirements under s. 66.1105 (6) (f) 2. A resolution under  
7 this paragraph must be adopted before the expiration of the period of certification.

8 **SECTION 3.** 66.1106 (7) (e) (intro.) of the statutes is amended to read:

9 66.1106 (7) (e) (intro.) Notwithstanding par. (d), if the governing body of a  
10 political subdivision adopts a resolution described in sub. (2) (c), it shall provide a  
11 copy of the resolution to the department. The department shall authorize a positive  
12 environmental remediation tax increment generated by a donor district, as described  
13 in sub. (2) (c), to the political subdivision that incurred eligible costs to remediate  
14 environmental pollution in another district within that political subdivision or that  
15 incurred project costs, as defined in s. 66.1105 (2) (f), for a tax incremental district  
16 within that political subdivision that was created under s. 66.1105 <sup>and</sup> that satisfies one  
17 of the requirements under s. 66.1105 (6) (f) 2., as described in sub. (2) (c), until the  
18 earlier of the following occurs:

19 **SECTION 4.** 66.1106 (7) (e) 1. of the statutes is amended to read:

20 66.1106 (7) (e) 1. The political subdivision has received aggregate  
21 ~~environmental remediation~~ tax increments with respect to the recipient district in  
22 an amount equal to the aggregate of all of the eligible costs or project costs for that  
23 district.

24 **SECTION 5.** 66.1106 (7) (e) 2. of the statutes is amended to read:

1           66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or 66.1105  
2           (7).

2      (7).

**3 (END)**

DNote



2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-2581/P2ins  
EVM:wlj:jm

1  
2 **INS-Analysis**

3 upon approval by the joint review board, a donor TID may continue to receive  
4 tax increments and forward those increments to a recipient ERTID created by the  
5 same city or village. Also,

6 **INS 3-1**

7 **SECTION ~~4~~ 66.1105 (6) (f) 1. (intro.) of the statutes is amended to read:**

8 66.1105 (6) (f) 1. (intro.) Not later than the date on which a tax incremental  
9 district terminates under sub. (7) (am), a planning commission may amend under  
10 sub. (4) (h) the project plan of a tax incremental district to allocate positive tax  
11 increments generated by that tax incremental district to another tax incremental  
12 district created by that planning commission or <sup>to</sup> an environmental remediation tax  
13 incremental district created under <sup>5.</sup> 66.1106 by the same governing body if all of the  
following conditions are met:

**History:** 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2, 32; s. 13.92 (1) (bm) 2., (2) (i).

14 **SECTION ~~4~~ 66.1105 (6) (f) 2. d. of the statutes is created to read:**

15 66.1105 (6) (f) 2. d. The recipient district is an environmental remediation tax  
16 incremental district created under <sup>5.</sup> 66.1106.

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2581/P2dn

EVM:wlj:jm

Date

Please  
check  
spacing.

stay

ATTN: Rep. Jim Steineke

In addition to allowing an ERTID to share increments with a TID, this draft would allow a TID to share increments with an ERTID. In the former case, the TID would have to meet one of the standards under existing s. 66.1105 (6) (f) 2. In the latter case, any ERTID would be eligible.

Delete empty component

I am a little unsure what you mean by making the language effective for a plan adopted after January 1, 2010. The provisions of this draft would apply to any TID or ERTID that has not terminated at the time of the amendment of the project plan or adoption of the resolution to authorize increment sharing. Do you want to limit the new authorization to TIDs and ERTIDs created after January 1, 2010? Please let me know if you have any questions or would like any further changes to the draft.

Eric V. Mueller  
Legislative Attorney  
Phone: (608) 261-7032  
E-mail: [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2581/P2dn  
EVM:wlj:rs

September 10, 2013

ATTN: Rep. Jim Steineke

In addition to allowing an ERTID to share increments with a TID, this draft would allow a TID to share increments with an ERTID. In the former case, the TID would have to meet one of the standards under existing s. 66.1105 (6) (f) 2. In the latter case, any ERTID would be eligible.

I am a little unsure what you mean by making the language effective for a plan adopted after January 1, 2010. The provisions of this draft would apply to any TID or ERTID that has not terminated at the time of the amendment of the project plan or adoption of the resolution to authorize increment sharing. Do you want to limit the new authorization to TIDs and ERTIDs created after January 1, 2010? Please let me know if you have any questions or would like any further changes to the draft.

Eric V. Mueller  
Legislative Attorney  
Phone: (608) 261-7032  
E-mail: [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2581/P2  
EVM:wlj:rs

2013 BILL

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

RMR

ga  
No  
Changes

9/16/13

Soon

Regen

- 1 AN ACT *to amend* 66.1105 (6) (f) 1. (intro.), 66.1106 (1) (i), 66.1106 (2) (c), 66.1106  
2 (7) (e) (intro.), 66.1106 (7) (e) 1. and 66.1106 (7) (e) 2.; and *to create* 66.1105 (6)  
3 (f) 2. d. of the statutes; **relating to:** the sharing of tax increments.

---

***Analysis by the Legislative Reference Bureau***

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed-use development. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems;

financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

Under current law, the environmental remediation tax incremental financing program permits a city, village, town, or county (political subdivision) to recoup the costs of remediating contaminated property from property taxes that are levied on the remediated property. The mechanism for financing remediation costs is very similar to the mechanism for financing project costs under the tax incremental financing program.

Initially, the governing body of a political subdivision adopts a resolution creating an environmental remediation tax incremental district (ERTID) with particular boundaries. This resolution is then reviewed by a joint review board made up of representatives of the overlying taxing jurisdictions. If the joint review board approves the ERTID, a political subdivision that has incurred eligible costs to remediate environmental pollution on a parcel of property may apply to DOR to certify the environmental remediation tax incremental base of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the Department of Natural Resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the remediation, and certification from DNR that it has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an environmental remediation tax increment; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated. Thereafter, the political subdivision that created the ERTID may use positive environmental remediation tax increments to pay eligible costs of remediating environmental pollution in the ERTID.

Currently, the maximum life of an ERTID is 23 years and no expenditure for an eligible cost may be made by a political subdivision later than 15 years after the environmental remediation tax incremental base is certified by DOR. An ERTID may also terminate when a political subdivision has received sufficient environmental remediation tax increments to cover all of the eligible costs.

Under current law, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that will recover all eligible costs to another ERTID created by the

same governing body. Upon receipt of a copy of this resolution, DOR would continue to allocate environmental remediation tax increments from the donor ERTID after all of the eligible costs for that ERTID have been recovered. These increments would be applied to another ERTID created in the same political subdivision. Increments from the donor ERTID continue to be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all eligible costs for the recipient ERTID.

Under this bill, upon approval by the joint review board, a TID may become a donor TID and provide increments to a recipient ERTID created by the same city or village. Also, the governing body of a political subdivision may adopt a resolution requesting that DOR allocate environmental remediation tax increments from an ERTID that has recovered all eligible costs to certain TIDs that are not ERTIDs. Generally, an ERTID may become a donor ERTID to a TID in the same situations when a TID may become a donor TID. Increments from the donor ERTID may be generated until the earlier of 1) 23 years after the creation of the donor ERTID; or 2) the recovery of all project costs for the recipient TID.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 66.1105 (6) (f) 1. (intro.) of the statutes is amended to read:

2           66.1105 (6) (f) 1. (intro.) Not later than the date on which a tax incremental  
3           district terminates under sub. (7) (am), a planning commission may amend under  
4           sub. (4) (h) the project plan of a tax incremental district to allocate positive tax  
5           increments generated by that tax incremental district to another tax incremental  
6           district created by that planning commission or to an environmental remediation tax  
7           incremental district created under s. 66.1106 by the same governing body if all of the  
8           following conditions are met:

9           **SECTION 2.** 66.1105 (6) (f) 2. d. of the statutes is created to read:

10          66.1105 (6) (f) 2. d. The recipient district is an environmental remediation tax  
11          incremental district created under s. 66.1106.

12          **SECTION 3.** 66.1106 (1) (i) of the statutes is amended to read:

1           66.1106 (1) (i) "Period of certification" means a period of not more than 23 years  
2 beginning after the department certifies the environmental remediation tax  
3 incremental base under sub. (4), a period before all eligible costs have been paid, or  
4 a period before all eligible costs or project costs of a recipient district designated  
5 under sub. (2) (c) have been paid, whichever occurs first.

6           **SECTION 4.** 66.1106 (2) (c) of the statutes is amended to read:

7           66.1106 (2) (c) Notwithstanding par. (a) or (b), or sub. (7) (d) 1. or (11) (a), if the  
8 governing body of a political subdivision determines that all eligible costs of an  
9 environmental remediation tax incremental district that it created will be paid  
10 before the date specified in sub. (11) (b), the governing body of that political  
11 subdivision may adopt a resolution requesting that the department allocate positive  
12 environmental remediation tax increments generated by that donor environmental  
13 remediation tax incremental district to pay the eligible costs of another  
14 environmental remediation tax incremental district created by that governing body  
15 or to pay project costs, as defined in s. 66.1105 (2) (f), of a tax incremental district  
16 created under s. 66.1105 and located in the same overlying taxing jurisdictions and  
17 that satisfies one of the requirements under s. 66.1105 (6) (f) 2. A resolution under  
18 this paragraph must be adopted before the expiration of the period of certification.

19           **SECTION 5.** 66.1106 (7) (e) (intro.) of the statutes is amended to read:

20           66.1106 (7) (e) (intro.) Notwithstanding par. (d), if the governing body of a  
21 political subdivision adopts a resolution described in sub. (2) (c), it shall provide a  
22 copy of the resolution to the department. The department shall authorize a positive  
23 environmental remediation tax increment generated by a donor district, as described  
24 in sub. (2) (c), to the political subdivision that incurred eligible costs to remediate  
25 environmental pollution in another district within that political subdivision or that

1 incurred project costs, as defined in s. 66.1105 (2) (f), for a tax incremental district  
2 within that political subdivision that was created under s. 66.1105 and that satisfies  
3 one of the requirements under s. 66.1105 (6) (f) 2., as described in sub. (2) (c), until  
4 the earlier of the following occurs:

5 **SECTION 6.** 66.1106 (7) (e) 1. of the statutes is amended to read:

6 66.1106 (7) (e) 1. The political subdivision has received aggregate  
7 ~~environmental remediation~~ tax increments with respect to the recipient district in  
8 an amount equal to the aggregate of all of the eligible costs or project costs for that  
9 district.

10 **SECTION 7.** 66.1106 (7) (e) 2. of the statutes is amended to read:

11 66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or 66.1105  
12 (7).

13 (END)